

DEPARTMENT OF CORPORATIONS
California's Investment and Financing Authority



DEMETRIOS A. BOUTRIS
California Corporations Commissioner
Sacramento, California

IN REPLY REFER TO:

FILE NO: OP 05/01

**NOTICE OF PROPOSED FINAL TEXT OF RULES OF
 THE COMMISSIONER OF CORPORATIONS UNDER THE
 CORPORATE SECURITIES LAW OF 1968**

To Interested Persons:

On February 15, 2002, the California Corporations Commissioner published a Notice of Proposed Changes regarding the proposed amendment of Sections 260.211 and 260.211.1 of the Commissioner's rules under the Corporate Securities Law of 1968 (see California Regulatory Notice Register, No. 2002, 7Z).

Because the final text of the proposed action differs from the text originally proposed on February 15, 2002, and differs from the revised text dated August 7, 2002, a copy of the final text is being made available to the public in accordance with the requirements of Government Code Section 11346.8(c). The final text showing modifications to the rules is attached. Additions to the text are shown in ***bold, italic print and underscored*** and deletions are shown in ***~~bold, italic print and strike-out~~***.

REASONS FOR CHANGES

The changes to the originally noticed proposed action are necessary:

- To incorporate suggestions received during the initial comment period;
- To remove proposed changes to existing language that the Department of Corporations ("Department") no longer seeks to amend; and
- To incorporate by reference a form.

A Customer Authorization of Disclosure of Financial Records (Form QR 500.261 (1/00)) is being incorporated by reference in this proposed action, in its entirety, and is hereby being added to the rulemaking file in accordance with Section 11347.1 of the Government Code.

♦ Securities ♦ Franchises ♦ Off-Exchange Commodities ♦ Investment and Financial Services ♦
 ♦ Independent Escrows ♦ Consumer and Commercial Finance Lending ♦ Residential Mortgage Lending ♦

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SAN DIEGO 92101-3697
 1350 FRONT STREET
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The initial statement of reasons for the proposed action containing all the information upon which this proposed action is based is available from the Office of Law and Legislation at the Sacramento office of the Department (see address below). Request Document OP 05/01-C. The final statement of reasons will be available at the conclusion of this proposed action, pursuant to the requirements of the Administrative Procedure Act.

As required by the Administrative Procedure Act, the Office of Law and Legislation maintains a rulemaking file containing all the information upon which this proposed action is based. The rulemaking file, including the form identified in this notice, is available for public inspection during regular business hours (8 a.m. to 5 p.m.) at the Sacramento office. The file can be made available at the Department's other locations upon request. The form is also available on the Department's Web site at www.corp.ca.gov.

Notice is also given that any interested person may present comments relevant to the modifications to the originally proposed action for at least 15 days before the final text is adopted.

Comments may be submitted by a written communication addressed to:

California Corporations Commissioner
Attn: Kathy Womack, Associate Analyst
Office of Law and Legislation
1515 K Street, Suite 200
Sacramento, California 95814

Comments must be received on or before 5:00 p.m., January 30, 2003. Written comments may also be sent to Kathy Womack via electronic communication at regulations@corp.ca.gov or via fax at (916) 322-3205.

Dated: January 15, 2003
Sacramento, California

TIMOTHY L. Le BAS
Deputy Commissioner & General Counsel
Office of Law and Legislation